

I-937 Inquiry Form

August 2011

The Energy Independence Act, approved by voters as I-937 in 2006 (Chapter 19.285 RCW and Chapter 194-37 WAC), requires utilities with more than 25,000 customers to acquire all cost-effective conservation and serve their customers with a portfolio of resources that consists of 3% renewable energy (as defined in the statute) by 2012, 9% in 2016 and 15% in 2020.

If you have questions related to reporting under I-937, complete this form and email to i937@commerce.wa.gov. We will refer your request to the I-937 Technical Working Group and respond as soon as possible. Commerce and the Washington Utilities and Transportation Commission staff offer analytic guidance to provide stakeholders more clarity on issues related to I-937; however, the guidance does not represent pre-qualification under I-937, nor is it a legal opinion. It is incumbent on the utility or stakeholder to make their case to the Washington State Auditor or UTC, as appropriate.

Date: August 15, 2011

Contact Name: Bart Kale

Organization: Nucor Steel

Phone: 206 933 2238

Email: bart.kale@nucor-seattle.com

What specific section of the WAC or RCW are you referring to?

WAC 194-37-080 (10)

WAC 194-37-080 (10) states:

(10) A utility may count towards the utility's biennial end-use conservation target, twelve individual months' worth of conservation during the first twelve months of a high efficiency cogeneration facility's operations in its service territory. The high efficiency cogeneration facility shall be owned and used by a retail electric consumer to meet that consumer's heat and power needs. Only that output used by that customer to meet its own needs can count toward the utility's conservation target. In order to count this in its conservation target, the utility shall prepare the following documentation, certified by a registered professional engineer licensed by the Washington department of licensing:

(a) That the cogeneration system has a useful thermal energy output of no less than thirty three percent of the total energy output; and

(b) An analysis that indicates the reduction in annual electricity consumption due to high efficiency cogeneration. This reduction is calculated as the net facility's annual electrical energy production times the ratio of the fuel chargeable to power heat rate of the cogeneration facility divided by the heat rate on a new and clean basis of a best-commercially available technology

Combined-cycle natural gas-fired combustion turbine.

Describe your question in detail. Provide any information that will help us understand your issues. We will contact you if we need further clarification.

Do the waste heat recovery projects proposed by Nucor Steel meet Washington State statutory requirements to qualify as high efficiency cogeneration systems under Washington Administrative Code (WAC) 194-37-080? This WAC chapter implements requirements of the Energy Independence Act (RCW 19.285) that resulted from passage of Initiative 937 (I-937) in 2006. If this project qualifies how enough assurance can be given to the local utility to allow them to expend resources to support such a project.

What is your interpretation?

Both projects do qualify as high efficiency cogeneration under WAC 194-37-080.